

# PRESS RELEASE

April 18, 2006

RE: UNITED STATES v. ALLEN J. SINAL

United States Attorney Terrance P. Flynn announced today that Allen J. Sinal, age 58, of Knoxville, Tennessee and formerly of Williamsville, New York, pled guilty before Chief United States District Judge Richard J. Arcara, to a one-count Superseding Information charging him with interference with the administration of the Internal Revenue laws, in violation of Title 26, United States Code, Section 7212(a). At sentencing, Sinal faces a maximum penalty of three years imprisonment and a \$250,000 fine.

Assistant U.S. Attorney Allison P. Gioia, who is handling the case, stated that through an undercover investigation, the Internal Revenue Service discovered that Sinal had purchased domestic and offshore trust systems from American Asset Protection and the Aegis Company. The investigation revealed that through the use of these entities styled as domestic and offshore trusts and an offshore company, Sinal failed to report all of the taxable income he received on his Individual U.S. Income Tax Returns. Ms. Gioia further stated that Sinal endeavored to obstruct and impede the administration of the Internal Revenue laws, and through the use of the offshore trusts and an offshore company, created the appearance that significant monies were being transferred offshore. Despite

this appearance, the monies never left the United States and remained taxable to the defendant as income. Sinal, a former officer with Dow Chemical, is presently engaged in the business of conducting reverse sales and use tax audits for companies throughout the United States.

The conviction was the result of an investigation by the Internal Revenue Service, Criminal Investigation, under the direction of Anne Marie Coons, Special Agent in Charge.

Sentencing is scheduled for August 1, 2006 before Chief Judge Arcara.